



Copper River Native Association (AHTNA' T' AENE NENE')

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Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Re Appeal of Funding Commitments regarding four HCPs:

HCP# 13015, Native Village of Kluti-Kaah Health Clinic
HCP# 13016, Native Village of Tazlina Health Clinic, FRN 45356
HCP# 13017, Cantwell Health Clinic
HCP# 13019, Gulkana Health Clinic, FRN 45358

CC Docket Numbers 96-45, 97-21

FCC Appeals Reviewer:

Copper River Native Association (CRNA) wishes to appeal the USAC decisions regarding funding for the above-referenced Health Care Providers. Since these are all HCPs that are managed by CRNA, and since the issues relating to this appeal are similar for each HCP, the appeal is being filed for all four health clinics with this one letter. Copies of Funding Commitment Letters are included here for HCPs 13016 and 13019. Although forms 466 with supporting documents were submitted months ago for HCPs 13015 and 13017, FCLs have been delayed by USAC for reasons not related to CRNA. However, in order to meet the filing deadline for the two HCPs for which FCLs have been received, CRNA is filing this appeal now, in anticipation that the USAC ruling for the two remaining HCPs will be the same. The FCLs will be forwarded to the FCC upon receipt.

Background: CRNA filed a very similar appeal for FY 2008, which was denied by USAC and is now being considered by the FCC. The issues are the same, and this appeal therefore references the previous appeal. Please refer to WC Docket No. 02-60. It is important to note that the issue at the heart of this appeal was not discovered by CRNA until after the beginning of FY 2009, resulting in the same situation recurring in the new fiscal year, although to a lesser extent. CRNA staff and administrators are now aware of the issues and import of this process, and it is not expected that the situation will recur.

CRNA owns and operates a series of rural Health Clinics in the Copper River Basin in Alaska. These clinics are connected to each other and to the distant resource city of Anchorage via a Wide Area Network. During the beginning of FY 2009, this network consisted of four T1 circuits, two of which were comparatively expensive circuits purchased from AT&T (HCP#13015 and HCP#13017), and two of which were less costly circuits purchased from the local carrier, Copper Valley Telephone Cooperative (HCP# 13016 and HCP# 13019).

In the months preceding FY 2009, CRNA had staff changes in key positions, including the position directly responsible for the filing of USAC forms, and also the Director of the Health Department, which supervises the Health Clinics. This resulted in confusion and a leadership

vacuum at a critical time.

The Issue: In the Funding Commitment Letters that have been received, the “Eligible Support Start Date” is entered as 6 July 2009. This means that most of the first week during the month of July is not scheduled for reimbursement. Especially for circuits purchased from AT&T, this amounts to very significant costs. CRNA, being a small non-profit service organization, cannot reasonably absorb these kinds of expenses.

The requested change: CRNA requests reversal of the USAC decision to deny funding for the first part of July 2009.

The reasons: The first few days of July 2009 were denied funding due to the requirement that providers be granted a 28-day bidding period, starting on the date of filing of the forms 465. For all four HCPs, form 465 for FY 2009 was filed on 8 June 2009. However, as is discussed below, the bidding process was neither disrupted nor affected in any way.

CRNA was at the time under contract with AT&T to provide the two most costly circuits (HCP#13015 and HCP#13017), both of which terminated on one end outside of the local area. This was a three-year contract, in effect during the start of FY 2009, with an expiration date of 16 August 2009. In previous years, occasional calls from potential bidders resulted in loss of interest when they found that an existing contract was in effect, even though that contract was not technically classed as “evergreen.”

For the remaining two Health Clinics (HCP#13016 and HCP#13019), there were never any competing bids for the reason that there were no other possible providers for these local circuits. Our LEC, Copper Valley Telephone Cooperative (CVTC), is the only provider of such circuits in the Copper River Basin. If an outside provider wished to bid on these services, it would have to first purchase the circuits from CVTC, then resell them. Reselling these two circuits did not become practical until August of FY 2009, when the expiration of the AT&T contract permitted the two circuits to be included in an overall package unifying all circuits under a redesigned WAN.

For FY 2009, with the imminent expiration of the AT&T contract, CRNA received interest from other providers. At its own option, CRNA did not restrict bidding to the mandatory 28-day window. Through the bidding process, CRNA selected a different service provider, with the change taking effect during FY 2009.

It is clear, then, that the late filing of forms 465 at the beginning of June of 2009 did not in any way affect, adversely or otherwise, the competitive bidding process.

It is also important to note that there was no interruption of service to the clinics. During the period for which funding has been denied, the telemedicine WAN was kept up and running, performing the service for which it was designed and which USF support is intended to make possible.

Conclusion: For these reasons it is apparent that the denial of funding for the start of FY 2009 does not fulfill the intent of the Universal Service Fund. It is also clear that the late filing of forms 465 did not alter or affect the process of bidding which the 28-day waiting period is intended to provide.

Copper River Native Association therefore requests that funding be granted for each of the Health Clinics listed above for the full duration of FY 2009, beginning 1 July 2009 and extending through 30 June 2010.

Contact: CRNA’s representative in this matter is David T. Wellman. Please direct questions

and requests for further information regarding this appeal to him using the contact information shown below. I will be in close communication with Mr. Wellman regarding this important process.

David T. Wellman • HC60 Box 227 • Copper Center, AK 99573

Telephone: 907-822-3418

Email: dave@cynosurenorth.com

We appreciate your fair consideration of this very significant issue.

Thank you,

A handwritten signature in black ink, appearing to read "Nat Hall". The signature is fluid and cursive, with the first name "Nat" and last name "Hall" clearly distinguishable.

Nat Hall

Director, Copper River Native Association Health Department